

INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE
ALCOHOL AND TOBACCO TAX DIVISION



WASHINGTON 25, D. C.

Industry Circular No. 65-22

September 1, 1965

SEMIMONTHLY TAX RETURNS

Proprietors of distilled spirits plants
and others concerned:

The purpose of this circular is to give you advance information concerning changes being made in return periods, and the times for filing returns, covering deferred payment of taxes by proprietors of distilled spirits plants.

A change is being made in the periods to be covered by semimonthly returns for the deferred payment of taxes, so that each period will fall wholly within a calendar month. A change is also being made so that there may be a two-step increase in the period of time that payment of taxes may be deferred.

The change to the new return period system will be made by providing a short transitional period to run from September 24 through September 30, 1965. Your return, with remittance, for this period must be filed not later than October 5, 1965 (unless October 1, 4, or 5 is a statewide legal holiday in your State).

After this transitional period, the return periods will run from the first day of each month through the 15th day of that month, and from the 16th day of each month through the last day of that month. Also, if you are qualified for extended deferral, your returns, with remittances, for periods starting after September 30, 1965, and continuing through the period ending June 30, 1966, may be filed as late as the 10th calendar day after the close of each period; and commencing with the period starting after June 30, 1966, not later than the last day of the return period next succeeding the period covered by the return. If you are not qualified for extended deferral, your returns and remittances must be filed as at present; that is, within three business days. In any case, however, the new return periods will be followed beginning with the month of October.

If you wish to become qualified for extended deferral you should be guided by the following:

A. If you file returns on Form 2522 and your withdrawal bond on Form 2613, 2614, or 2615 is not in the maximum penal sum, and the penal sum is not sufficient to cover the outstanding liability which would exist under the extended deferral, you must give either a new bond in a sufficient penal sum or a strengthening bond so that the penal sum of the bonds in force will be sufficient. If you give a strengthening bond you must also furnish a consent of surety extending the terms of the existing bond to cover the extended deferral.

B. If you file returns on Form 2522 and your withdrawal bond on Form 2613, 2614, or 2615 is in the maximum penal sum, or in a penal sum sufficient to cover the outstanding liability which would exist under the extended deferral, you must either give a consent of surety extending the terms of such bond to cover the extended deferral, or give a new bond.

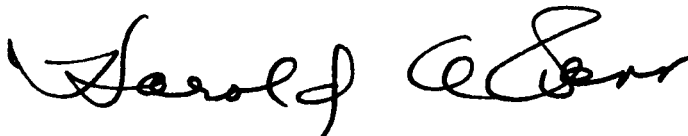
C. If you file returns on Form 2527, you must either give a consent of surety extending the terms of your existing bond on Form 2601 to cover the extended deferral, or give a new bond.

The new regulations will not require you to file any additional bonds or any additional consents of surety if you do not wish to utilize the option of extended deferral.

Where qualification for extended deferral is to be accomplished through the filing of a consent of surety, the consent may be made retroactively effective to the beginning of a return period if it is filed with and approved by your assistant regional commissioner before the expiration of the three-day filing time for that period. However, if a new bond is filed it may not be made retroactive, and it must be filed with and approved by your assistant regional commissioner before the commencement of the first return period for which it is to be effective.

These changes will be implemented by a Treasury decision which will add a new Subpart W to the regulations in 26 CFR Part 170.

Inquiries regarding this circular should refer to its number and should be addressed to the office of your Assistant Regional Commissioner, Alcohol and Tobacco Tax.



Harold A. Serr
Director, Alcohol and Tobacco Tax Division